GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:2440
ANSWERED ON:07.08.2003
POWER PURCHASE AGREEMENT ON NTPC, KAYAMKULAM
SURESH KODIKUNNIL

Will the Minister of POWER be pleased to state:

(a) whether there is any proposal to renew the Power Purchase Agreement (PPA) ofNTPC, Kayamkulam for reducing the financial burdens of Kerala State Electricity Board;

(b) if so, the action taken thereon; and

(c) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) to (c) : The Kayamkulam Power Project, Stage-I (350 MW) set up by NTPC, was originally dedicated to Kerala. As per the terms of PPA signed with Kerala State Electricity Board (KSEB), the PPA is valid for a period of five years from the date ofcommercial operation of the last unit of Kayamkulam with the provision of extension on mutually agreed terms. At the instance of Government of Kerala/KSEB, theKayamkulam CCPP has been made a regional power station in order to reduce thefinancial burden of KSEB and 50% of the capacity has been allocated to Tamil Nadu.